GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4619
ANSWERED ON:23.12.2005
EARNEST MONEY DEPOSIT QUESTION
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

(a) whether Earnest Money Deposit (EMD) is being asked for the full tender and not item-wise depriving small traders to participate in the tenders violating provisions of GFRs-2005;

(b) if so, the action Government propose to take to direct the Government offices to charge EMD item-wise only; (

(c) whether it is also a fact that huge fee in respect of tender form is charged and if so, the reasons thereof; and

(d) the action Ministry propose to direct the Government offices to scrap tender form charges to make that free of charge?

Answer

Minister of State in the Ministry of Finance (Shri S. S. Palanimanickam)

(a)&(b) As per General Financial Rules (GFRs), 2005, Earnest Money is to be obtained from the bidders other than the exempted categories, ranging between 2% to 5% of the estimated value of the goods to be procured, in the case of advertised or limited tender inquiry. The exact amount of EMD is to be determined by the concerned Administrative Ministry/Department and indicated in the Bidding Documents.

(c)&(d) There is no specific provision regarding the fee for tender forms in the GFRs, 2005 and it is for the Purchasing/Indenting organization to fix the cost of the tender documents.